RAJYA SABHA

Tuesday, the 10th March, 1987/19 Phalguna, 1908 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

'Major policy decisions on Exports' issued by PIB

*181. SHRI BHAGATRAM MANHAR:

SHRI BIR BHADRA PRATAP SINGH:†

Will the Minister of COMMERCE be pleased to state:

(a) whether Government have issued any Notification/Order following the publications of the Major Policy Decisions on Exports by the Press Information Bureau on the 24th October 1986;

(b) if so, what are the salient features of the Notification/Order; and

(c) if not, what are the reasons for not implementing the decisions announced by Government on the 24th October, 1986?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER): (a) to (c) A statement is laid on the Table of the House.

Statement

The Press Release issued on 24-10-86 contained broad policy decisions taken by the Government for boosting exports in identified thrust sectors to make our export products competitive through reduced costs, upgradation of technology and effective promotion in international market. Action taken in pursuance of these including specific orders and notifications issued are indicated below:—

1. The facility of supply of raw materials at international prices will be extended in-principle to all major export sectors for export production.

A notification has been issued on 19th February, 1987 extending the scope of Advance Licensing Scheme which permits duty free imports of raw materials for export production to all imported raw materials instead of only 145 items which were allowed. The notification also permits import of consumables and spares which were so far not covered under this scheme.

The international Price Reimbursement Scheme which enabled the industry to obtain iron and steel at international prices for export production had already been extended to cover steel alloys. It has been decided to have a similar scheme for aluminium. The State Trading Corporation has introduced a scheme for supply of certain chemicals like Benzene, Xylene, Toluene and Napthalene for export production of drugs and Pharmaceuticals and other chemicals at international prices. They are also going to make available polyurethene leather for manufacture of footballs.

2. It had been decided in principle to allow import of capital goods not available in the country for selected thrust industries with high export potential either free of duty or at low rates of duty.

Several items of machinery and equipment required for thrust sectors such as garments, leather shoes, diamonds cutting and polishing, coffee curing, instant quick freeze equipment for marine products etc. had been permitted to be imported on OGL at low rates of duties. Besides enlarging the list for these sectors, the present budget proposals include reduction on import duty on machinery for concentrated fruit juices and pulp, selected foundry equipment, moulds for tyres for export production.

It has also been decided to allow on a case by case basis duty concession on import of machinery to those units which are prepared to export within 5 years 50 per cent or more of their production or a certain multiple of the value of the machines.

†The question was actually asked on the floor of the House by Shri Bir Bhadra Pratap Singh.

3. There should in principle be full remission of excise duties and domestic taxes on exported goods.

The Scheme of Cash Compensatory Support and Duty Drawback which are in operation have been designed to achieve this objective. The new Scheme of CCS introduced from 1-7-1986 seeks to cover indirect taxes on inputs of the exported product as well. Individual cases are being considered as and when they arise accordingly. It is proposed in the budget now to make a provision for refunding MODVAT in cash in case of exports in certain circumstances.

4. Large size firms which are willing to export 60 per cent of their production would be allowed to undertake manufacture of selected goods such as sports goods bicycle components etc. provided they set up such industries in backward areas.

This is being used as a guiding principle in considering specific proposals.

5. In the case of readymade garments, use of foreign brand names for domestic sales would be permitted provided only indigenous fabrics are used and atleast 75 per cent of the production is exported.

Instructions on the subject were conveyed by the Department of Textiles to Appeal Export Promotion Council on 31-12-1986. The Council in turn has brought the policy to the notice of their constituents on January, 27, 1987.

6. 5 per cent to 10 per cent of the foreign exchange earnings would be allowed to be utilised in principle for export promotion for different categories of products.

The scheme has been worked out after consulting the trade and is under consideration of the Reserve Bank of India.

7. A liberal approach would be adopted on case by case basis to facilitate upgradation of technologies in thrust industries linked as necessary to export obligations.

A Sub-Committee of the Foreign Investment Board has been set up for dealing with such cases and to provide a fast track clearance mechanism.

8. The Press Note had mentioned that a proposal was under consideration to provide diesel oil at cheaper prices to firms which export 25 per cent or more of their production and want to instal captive generating units.

The facility had been extended to glass and ceramics industry in so far as supply of furnace oil is concerned. Proposals for having similar schemes for other sectors have been formulated and are under examination.

SHRI BIR BHADRA PRATAP SINGH: Mr. Chairman, Sir, there were three decisions taken in the Cabinet Sub-Committee and the briefing was done on October 24. Now, out of the three decisions the follow-up notification was issued with regard to one only after a lapse of four months. That is evident from the reply on 19th February. Before I put the actual question, I would like to know if the precedent set up by the Finance Ministry could not be followed, where invariably on the next day after the cabinet decision the notifications were issued. So far as the question is concerned, precisely that I want to put to the hon. Minister as to why it took four months for the notification to be issued regarding raw material international prices under advance license appendix 19, and it was issued only on February 19 after a lapse of four months. That is one part. Secondly, I want to know why till today the Export passbook under appendix 25 of the import policy direction was not issued and for export promotion activities 5 to 10 per cent of foreign exchange earnings had not been notified so far. May I know from the hon. Minister what is the reason for this?

SHRI P. SHIV SHANKER: Mr. Chairman, Sir, it is not necessary that in respect of all the decisions that were taken on 8th October they should be notified. Some of the cases are such where with the announcement of the policy itself the decision stands taken and the action starts.

For example, if you will look at the large sized firms they have been allowed in the selected sectors to establish in the backward areas industries for the purpose of exports to the tune of 60 per cent. Now, in this case it is not necessary that a notification should be issued because the moment the policy decision is announced, the matter has come into force. Therefore, the question of issuing the notification in respect of every case does not arise. Sir, on the question of the raw material at the international prices, the question has been asked as to why this has been issued with delay. Sir, with reference to the raw materials there had been certain different perceptions. It is not that the Commerce Ministry alone has to take the decision. Sir, it had diverse perceptions, number one. Advance licences used to be granted with reference to only 145 items. That has been extended to all types of items. Now, this is a matter where the DGTD has to take the action. We do not come into the picture. Now, likewise with respect to IPRS scheme which was originally available to the steel and which was extended to aluminium, in this the decision had to be taken not only with the Steel Ministry but the Finance Ministry and the decisions have not been taken so far by the Finance Ministry as to how the money should be refunded. Therefore, the difficulty is not merely with the Commerce Ministry but it has got to interact with other Ministries for purposes of a notification that should be issued and in this case the notification has got to be issued by the Finance Ministry and not by the Commerce Ministry. Sir, the hon. Member has asked the question as to why the notification has not been issued with reference to import and export Pass Book scheme. On the question of Pass Book scheme, the position is that the scheme is already in operation and it is up to the eligible persons to come forward to apply for the Pass Book. The Advance Licensing Scheme is also available to them. Changes regarding which have been notified and have come into operation. We expect to announce further improvements in the Pass Book scheme soon. On the question of 5—10 per cent of the foreign exchange being used for the market promotional activity, the matter is with the Reserve Bank of India, because it is the Reserve Bank of India that has got to grant this amount. In fact, so far as the Commerce Ministry is concerned, they have completed all their proceedings and have sent them to the Reserve Bank of India for necessary action. This is a matter pending with them.

SHRI BIR BHADRA PRATAP SINGH: In the name of efficiency of the Government, may I appeal to the Ministry to place on the Table of the House the follow-up notification orders to implement the major decisions, and may I know how much more time is likely to be taken?

MR. CHAIRMAN: He has already explained. What exactly do you want?

SHRI BIR BHADRA PRATAP SINGH: Unless and until it is followed by a notification, how can it be acted upon?

MR. CHAIRMAN: He has spent so much time explaining why notification is not required in certain cases.

श्री चतरानन मिश्र : सभापति महोदय, जो एग्जेम्पशन दिया गया है एक्सपोर्ट के लिए सुविधाएं दी गई हैं अगर उसकी अखबार में विज्ञप्ति निकल जाती है और नोटीफिकेशन नहीं होता है तो बिटनस सेक्शन इससे करोड़ों रुपयों का गोलमाल करता है तथा इस में भारी भ्रष्टाचार होता है । हमारे पास सूचना दी गई है कि इसमें अरबों रुपयों का गोलमाल किया गया है और एक्सपोर्ट में भी हम को घाटा लगा है । क्या मन्त्री महोदय इसका समुचित उत्तर देंगे और इसकी जांच करायेंगे ?

श्री पी० शिवशंकर : अखबार में विज्ञापन के बारे में जैसे मुख्य प्रश्न में पूछा गया है 8–9 अक्तूबर को दिया गया था । मैंने स्वयं 10 नवम्बर को एक खत जितने

चेम्बर्स आफ कामर्स हैं उन लोगों की लिखा जिसमें उन से यह अनुरोध किया कि वह अपनी प्रोपोजल्ज के साथ जल्द से जल्द हमारे पास आएं । उसके बाद मैंने नवम्बर में एक मीटिंग ली और मीटिंग लेने के बाद इंडस्ट्रीज के जितने भी रिप्रेजेंटेटिव्ज थे उनको तफसील में बातें बताई गई । उस की तफसीलात बात में तीन दिसम्बर को हमारे सचिव ने एक मीटिंग बुला कर उनको दी और सारी बातें समझाई । मुझे अब यह बात समझ में नहीं आई कि घाटे की बात कहां से आ गई । प्रश्न पूछा गया है घाटा जो हुआ है वह किस तरह से हुआ । हमारी हद तक हमारे पास ऐसी कोई सूचना नहीं है जहां पर घाटा हुआ है इस देरी की वजह से ।

MR. CHAIRMAN: Next question.

Unorganised labour

*182. SHRI KALPNATH RAI: Will the Minister of LABOUR be pleased to state:

(a) what is the percentage of unorganised labour as compared to organised labour in the country;

(b) what is the estimated number constituting unorganised labour in the country; and

(c) whether there are any schemes under Government's consideration to better the lot of workers under the unorganised sector?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P. A. SANGMA): (a) and (b) Workers are enumerated in the census by the sector of activity in which they are engaged, e.g., agriculture and allied occupations, mining and quarrying manufacturing, construction, services etc. It is, therefore, not possible to State accurately the percentage of organised and unorganised labour.

(c) Welfare activity by the Ministry of Labour covers workers in iron-ore, manganese and chrome-ore mines; lime-stone and dolomite mines; mica mines and beedi workers. A pilot scheme to ensure enforcement of minimum wages in agriculture has also been launched in the Seventh Plan as a Centrally sponsored scheme. A scheme for child workers in the Sivakasi area has also been launched. In addition, the poverty alleviation programmes are also aimed at bettering the lot of the poorest workers, especially, in rural areas, who form the bulk of unorganised workers there.

श्री कल्पनाथ राय : सभापति महोदय, क्या मंत्री महोदय यह बताने की कृपा करेंगे कि हिन्दुस्तान के गांवों में खेती करने वाले असंगठित मजदूरों की संख्या जानने के लिए क्या सरकार कोई सर्वे करायेगी ?

SHRI P. A. SANGMA: It is a very difficult to give a definition of organised and unorganised sector. I will seek the indulgence of the House and the Chairman to explain it a little bit. According to the ILO concept, those workers who have got unionised and who have the bargaining power are organised labour and those who have no organisation and who have no bargaining power are unorganised labour. But this applies mainly to developed countries. As far as our country is concerned, if we apply that particular criterion, then, the number of organised labour will be very very small because it is only six million; only six million workers are unionised. Only six million are affiliated to Central trade union organisations. But as far as the unorganised sector is concerned, the National Commission on Labour has tried to give a sort of definition. The Commission has simply said—I will quote the definition given by the Commission:

> "Those workers who have not been able to organise in pursuance of common objectives because of the constraints such as casual nature of Employment, ignorance, illiteracy, small size of establishment with low capital investment, scattered nature of establishment, superior strength of the employer operating singly or in combination."

These are the guidelines which have been prescribed for determining unorganised sector by the National Commission. On the basis of that, we have tried to analyse the number of workers in the organised and